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# \$14 Million in Medical Aid Funneled to Central America

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A private humanitarian organization called the Americares Foundation, working with the Order of the Knights of Malta, has channeled more than \$14 million in donated medical aid to El Salvador, Honduras and Guatemala over the last two years.

The bulk of the supplies, worth about \$10 million, has gone to hospitals and clinics in El Salvador, according to Americares' founder and president, Robert C. Macauley. But part of \$680,000 in aid to Honduras went to Miskito Indians linked to U.S.-backed rebels fighting the leftist government of Nicaragua, according to a Knights of Malta official in Honduras.

Much of the \$3.4 million in Americares' medical aid to Guatemala has been distributed through the armed forces as part of its resettlement program of "model villages" aimed at defeating leftist insurgents, said the official, Guatemalan businessman Roberto Alejos.

Prominent in the U.S. end of the operation are businessman J. Peter Grace, head of the W.R. Grace conglomerate and chairman of the American division of the Knights of Malta; attorney Prescott Bush Jr., brother of Vice President Bush; former treasury secretary William E. Simon, and Macauley, a New Canaan, Conn., businessman.

Among the 1,750 U.S. members of the Knights are CIA Director William J. Casey, former secretary of state Alexander M. Haig Jr. and former secretary of health, education and welfare Joseph A. Califano, although they apparently are not involved in the Americares effort. Former national security affairs adviser Zbigniew Brzezinski is honorary chairman of Americares' board of directors.

The Knights, formally called the "Sovereign Military Hospitaller Order of St. John, of Jerusalem, of Rhodes and of Malta," was founded in 1099 to aid the wounded and to battle Moslems during the Crusades. Based in Rome, the devoutly Roman Catholic order has 10,000 members in 42 nations and is recognized diplomatically as the world's only sovereign nation without territory. It has ambassadors in 40 countries. Medical aid thus can be moved through diplomatic "pouches" into needy countries without going through customs, Grace said in an interview.

The Americares program is among the largest of dozens of private relief efforts in Central Amer-

ica. Under the Reagan administration, the U.S. Agency for International Development is trying to encourage private involvement in foreign aid worldwide, partly to bypass bureaucratic tangles in the receiving nation and partly to avoid the strings that Congress often ties to federal programs.

Alejos, co-chairman of the Knights of Malta in Honduras, said in a recent interview with freelance reporter Peter H. Stone that "some of the [Americares] aid went to the Miskito Indians" there. Congress has banned U.S. aid to Nicaraguan rebels, called "*contras*" and based in Honduras. The Miskitos are divided, but several tribes have joined the rebels.

Alejos said eight Honduran hospitals have benefited, including one in the Indian area called Mosquitia.

In Guatemala, Alejos told Stone, the Guatemalan army delivers Americares medicine to people in the model villages, which are along the Mexican border.

Alejos, a major sugar and coffee grower, lent his Guatemalan es-

tates to the Central Intelligence Agency in 1960 to train Cubans for the Bay of Pigs invasion.

But all officials contacted insisted that neither the Knights nor Americares has any political involvement in Central America. Both groups have extensive histories of charitable work, particularly with refugees in Pakistan, Afghanistan and Poland.

Grace said he started the medical shipments to Central America in 1983 by calling Macauley and suggesting that Americares and the Knights of Malta work together there. Bush and Simon, members of the Americares advisory committee, help to raise funds and obtain free medicine.

Grace, Bush and Macauley said there is no link between their effort and Reagan administration policy in the region.

Instead, they said, they "beg" free or nearly free medicines and equipment donations from major U.S. companies and wangle cut-rate shipping to Central America. The aid then is distributed to civilian hospitals, clinics and medical centers by local Knights of Malta members, who generally are well-to-do businessmen, lawyers, doctors or others with such facilities as warehouses, trucks or planes at their disposal.

Such people do not tend to be sympathetic to leftist guerrillas, and critics charge that medical and humanitarian aid helps the Salvadorans and the Guatemalan government fight the rebels by freeing other money to buy arms.

"On that basis you'd never be able to help anybody anywhere," Macauley said.

Medical companies whose officials have praised Americares as a low-overhead, efficient operation to which they donated medical supplies include the G.D. Searle & Co. of Skokie, Ill.; Sterling Drug Inc. of New York; Merck & Co. Inc. of Rahway, N.J., and Richardson Vicks Inc. of Westport, Conn.

Macauley said his foundation has received donations from the top 40 or 50 U.S. medical companies,